Update on the Egremont Broadband Network Project from the Egremont Technology Committee June 22, 2020

State approves terms of grant to Fiber Connect to extend network to unserved parts of Egremont. On Thursday, May 14, the Town received notice that the Massachusetts Broadband Institute (MBI) approved the long-awaited grant to Fiber Connect (FC) to complete their buildout of the fiber optic broadband network to the remaining unserved areas of Egremont. This is good news for the Town as a whole, and GREAT news for the roughly 90 households that do not yet have access to reliable high-speed Internet.

The approval covers the main terms and conditions that will be put into the final agreement between MBI and FC. The next step is for FC and MBI to complete and sign the actual grant award agreement. Both parties have told the Town that working out the final details is a priority for them and, barring unforeseen obstacles, should take only a few weeks. Completion of the MBI-FC agreement will also pave the way for FC to sign the separate agreement with the Town of Egremont, which we negotiated and completed last fall, and which covers the general requirements of a public procurement along with specifics about coverage area, technology, customer service, pricing, and other terms.

Once the agreements are in place, FC will apply to National Grid and Verizon for utility pole licenses to allow FC to hang their cables. These license applications require the utility companies to survey each pole and perform "make-ready" work to prepare for the attachment of FC's cables. If a pole already meets all codes and regulations, and has the capacity to accommodate the additional cables, there will be little or no make-ready work for that pole. On the other hand, poles that are out of compliance, or that would become non-compliant if additional cables were attached, have to be restructured or replaced. The timeline for make-ready work is controlled by the utility companies and is typically about six months or more. We have learned that the utility companies have a significant backlog of make-ready work in this region and that their union contracts prevent them from subcontracting out this work, so not much can be done to speed up this process.

Meanwhile, there are a few areas where FC will be installing their own poles and do not have to go through the licensing and make-ready processes. Subject to their own work schedule, FC should be able to begin construction in those areas sooner. Once started, actual construction itself is usually quick and straightforward, and FC will be "lighting up" subscribers as they proceed.

Town continues discussions exploration of emergency backup service. One of the requirements for Internet service that the Town laid out early on is that there be a fallback plan in the event that FC terminates its business in Egremont, whether voluntarily or involuntarily. The goal is to ensure ongoing Internet service with as little interruption as possible. Accordingly, the Town-FC agreement includes provisions for the Town to take over the physical network infrastructure from FC under certain extraordinary conditions. The other necessary element would be an Internet Service Provider (ISP) ready to step in to pick up operations. Holyoke Gas & Electric (HG&E) already works with FC and certain other ISPs to provide some of the behind-the-scenes network services, and the Town is exploring how HG&E might be able to serve as a backup operator should the need ever arise.

<u>Frequently asked questions.</u> Since the news came out in May about state approval of the grant, a number of Egremont residents have contacted Town Hall with questions. Here are some of the FAQs:

Q: Our home is in one of the unserved areas of Egremont. When can we get service?

A: The main steps needed to bring service to the remaining parts of Town are:

- FC and MBI work out final details and sign state grant award contract
- FC files applications for National Grid and Verizon utility pole licenses*
- Utility companies survey poles and perform make-ready work*
- FC obtains permits and easements where required (happens in parallel with pole licensing process)
- FC builds out network cable infrastructure as licensing/make-ready is completed

• FC connects and "lights up" customers on a rolling basis as they build the network extension *Note: Pole licensing/make-ready not needed in areas where FC will be installing their own poles

The goal is to have all areas of Egremont covered before the end of 2021. Some areas will be built much sooner than others. But there are many factors that *might* stretch out the timeframe, including a) unanticipated problems in the FC-MBI final negotiations, b) delays on the part of utility companies, and c) unexpected complications during construction (for example, encountering ledge where poles need to be installed). The Town has no control over the timing of any part of this process.

Q: How much will it cost?

A: FC's pricing for installation and service is available on their website at www.fiberconnect.website. As of June 22, 2020, their posted prices for residential service are:

- \$99/month \$999 Install 3 Year Agreement
- \$99/month \$699 Install 5 Year Agreement
- \$125/month \$199 Install 3 Year Agreement

They also offer certain optional add-on services.

FC has indicated to the Town that they will be offering special promotional pricing for installation to:

- Customers in currently-unserved areas who sign up anytime between now and the time construction begins on their road
- Customers in existing service areas for a limited period of time beginning when the FC-Town contract is signed, subject to scheduling installation in "batches" for efficiency (i.e., installation may be held up until there are enough customers in a specific area to make it feasible to send an installation crew at the reduced price)

All questions about FC services and pricing should be directed to FC at <u>sale@bfcma.com</u> or 413-429-4109. The Town has no further information about FC pricing other than what is available from FC.

Q: Will there be reduced pricing for low-income subscribers?

A: The FC-Town agreement provides that FC will offer reduced/subsidized pricing for installation and for monthly service to low-income subscribers. Eligibility and other details are still being worked out, but criteria are likely to be similar to those for government housing subsidies or other forms of "safety net" support.

Q: How much is the state grant, does this go to the Town, and how will the Town use it?

A: The state grant for the network extension in Egremont is \$1,070,000. The entire amount of this grant will go to FC in a series of progress payments based on FC achieving specific project milestones that are laid out in the FC-MBI grant award agreement. The Town is not a party to the grant award agreement and receives NO money from the state in regard to the network project.